



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

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2006 DEC 12 AM 8:10

FILED
EPA REGION VIII
HEARING CLERK

DOCKET NO.: SDWA-08-2006-0059

IN THE MATTER OF:

CITATION OIL AND GAS CORPORATION

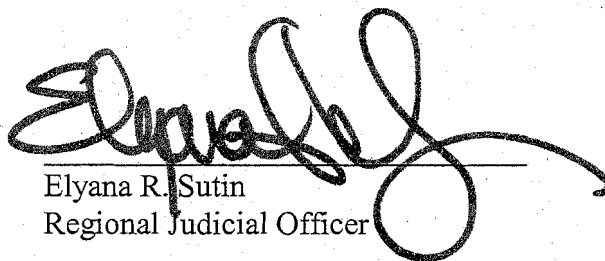
RESPONDENT

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FINAL ORDER

Pursuant to 40 C.F.R. §22.18, of EPA's Consolidated Rules of Practice, the Consent Agreement resolving this matter is hereby approved and incorporated by reference into this Final Order. The Respondent is hereby **ORDERED** to comply with all of the terms of the Consent Agreement, effective immediately upon receipt by Respondents of this Consent Agreement and Final Order.

SO ORDERED THIS 11th Day of December, 2006.


Elyana R. Sutin
Regional Judicial Officer

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

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Docket No.: SDWA-08-2006-0059

EPA REGION VIII
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In the Matter of:

Citation Oil and Gas Corporation

Respondent.

CONSENT AGREEMENT

Complainant, United States Environmental Protection Agency, Region 8 (EPA), and Respondent, Citation Oil and Gas Corporation (Respondent), by their undersigned representatives, hereby consent and agree as follows:

1. EPA issued to Respondent a Proposed Order and Penalty Complaint with Notice of Opportunity for Hearing (Complaint) filed on September 18, 2006, alleging certain violations of Part C of the Safe Drinking Water Act (SDWA), 42 U.S.C. § 300h et seq., relating to underground injection controls (UIC).

2. The Complaint alleged that Respondent, as the operator of the Walker Hollow #26 enhanced oil recovery well which is located in Uintah County, Utah within the exterior boundary of the Uintah & Ouray Indian Reservation, violated:

(i) part II (C)(1)(a) of its UIC permit (#UT20971-02533) and 40 C.F.R. §144.51(m) by injecting without authorization from EPA; and

(ii) part II(B) of its UIC permit and 40 C.F.R. §144.51(q) by failing to maintain mechanical integrity at the well.

3. Respondent admits that EPA has the jurisdictional authority to issue the Complaint and settle this case pursuant to this Consent Agreement, but does not confirm or deny the remaining allegations, including the findings and alleged violations.

4. Respondent waives its right to a hearing before any tribunal, to contest any issue of law or fact set forth in the Complaint, or this Consent Agreement.

5. This Consent Agreement, upon incorporation into a final consent order, applies to and is binding upon EPA and upon Respondent and Respondent's heirs, successors and assigns. Any change in ownership or corporate status of Respondent, including, but not limited to, any transfer of assets or real or personal property, shall not alter Respondent's responsibilities under this agreement. This Consent Agreement contains all terms of the settlement agreed to by the parties.

6. Respondent consents to and has already paid a civil penalty in the amount of eight thousand sixty-one dollars (\$8,061.00). EPA finds this penalty amount is appropriate after applying the statutory factors in section 1423(c)(4)(B) of the SDWA with the facts and circumstances of this case.

7. Respondent agrees that the penalty shall never be claimed as a federal or other tax deduction or credit.

8. EPA, in the complaint, sought that Respondent, as it relates to the alleged violations, return to compliance with its permit. As of October 20, 2006, EPA agrees that this has occurred.

9. Nothing in this Consent Agreement shall relieve Respondent of the duty to comply with the SDWA and its implementing regulations.

10. The undersigned representative of Respondent certifies that he is fully authorized to enter into the terms and conditions of this Consent Agreement on behalf of Respondent and to bind Respondent to the terms and conditions of this Consent Agreement.

11. The parties agree to submit this Consent Agreement to the Regional Judicial Officer, with a request that it be incorporated into a final order.

12. Each party shall bear its own costs and attorney fees in connection with this matter.

13. This Consent Agreement, upon incorporation into a final order by the Regional Judicial Officer and full satisfaction by the parties, shall be a complete and full civil settlement of the specific violations alleged in the Complaint.

Date: 11/18/06

Citation Oil and Gas Corporation

By: 

Gary C. Johnson

Senior Vice President and General Counsel

**U.S. ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

Date: 12/06/06

By: Eddie A. Sierra

for

Carol Rushin

Assistant Regional Administrator

Office of Enforcement, Compliance

and Environmental Justice

CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached **CONSENT AGREEMENT/FINAL ORDER** in the matter of **CITATION OIL AND GAS CORP.;** **DOCKET NO.: SDWA-08-2006-0059** was filed with the Regional Hearing Clerk was filed on December 12, 2006.

Further, the undersigned certifies that a true and correct copy of the document was delivered to Jim Eppers, Senior Enforcement Attorney, U. S. EPA – Region 8, 999 18th Street, Suite 300, Denver, CO 80202-2466. True and correct copies of the aforementioned document was placed in the United States mail certified/return receipt requested on December 12, 2006, to:

Gary C. Johnson
Citation Oil and Gas Corporation
8223 Willow Place South, Suite 250
Houston, TX 77070-5623

Telefaxed to:

U. S. Environmental Protection Agency
Cincinnati Finance Center
26 W. Martin Luther King Drive (MS-0002)
Cincinnati, Ohio 45268
513-487-2063

December 12, 2006



Tina Artemis
Regional Hearing Clerk/Paralegal



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